GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1096
ANSWERED ON:24.10.2008
PRICE RISE
Barman Shri Hiten

Will the Minister of FINANCE be pleased to state:

(a) whether International Food Policy Research Institute(IFPRI) in a report has stated that the steps taken by the Government to control import and export with a view to check price rise are not conducive for development;and

(b) if so, the reaction of Government thereto?

Answer

MINISTER OF STATE FOR FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) & (b): As per the report released by the International Food Policy Research Institute (IFPRI),many countries have resorted to restricting food exports and reducing restrictions on imports through tariff cuts to check price rise.According to the Report,such price controls and change in import and export policies may address problems of poor consumers but some of these policies are likely to make the international market smaller and more volatile.The Report suggests that any long-term strategy to stabilize food prices will need to include increased agricultural production.While the government agrees with the view that agricultural production must increase to stabilize food prices,the government does not concur with the proposition that ban on exports and easing imports would limit production.Export restrictions and ease of imports are intended to increase domestic availability of food-grains,thereby insulating consumers from global price increases.As a long-term strategy to stabilize food prices,government has initiated the National Food Security Mission to increase production of rice, wheat, and pulses by 10 million tonnes,8 million tonnes and 2 million tonnes respectively.Government,by increasing the support price of major crops is also providing adequate incentive to farmers.